

ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 8672
5464 SRES SB 200 - SB 206

Lack of support to the miner in the
past ^{administration} BECAUSE the bill will allow both
the time necessary to sort out all
the legal issues, and to allow the miner
time to face the added cost of the
new regulations that have recently been
imposed by BLM.

Please feel free to use this letter in
any way you wish. Again thank you,

Sincerely,

Vernon F. Mills
Chief, Wiseman

CC SENATOR FAIRCENKAMP
SENATOR FAIRS
SENATOR BENNETT



Telegram

4-040314S103 04/13/87

1987 APR 13 21 46

ICS IPMRNCZ CSP

7145323943 POM TDRN ORANGE CA 6 04-13 0724P EST

FMS SENATOR JACK COGHILL

JUNEAU AK 99801

PLEASE SUPPORT SB200 MINING LOAN MORATORIUM.

JOHN A MISCOVICH

1093 NORTH GREENGROVE ST

ORANGE CA 92667

1928 EST

IPMAFUB AHG

April 10, 1987

APR 22 1987

Senator Jack Coghill
P. O. Box V
Juneau, Alaska 99811

Re: Senate Bill 200

Dear Senator Coghill;

I strongly urge the Senate to support Senate Bill 200 that calls for a two year moratorium on mining loans.

Lately with the economy being what it is, it seems harder and harder for the miners to make ends meet.

I also feel that since the farmers and the fishermen were given that option, that it is only fair that the miners be given the same consideration.

Sincerely,



Susan Eickermann
P.O. Box 10229
Fairbanks, Alaska 99710

April 10, 1987

APR 22 1987

Senator Jack Coghill
P. O. Box V
Juneau, Alaska 99811

Re: Senate Bill 200

Dear Senator Coghill;

I strongly urge the Senate to support Senate Bill 200 that calls for a two year moratorium on mining loans.

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Sincerely,

Paul Eickermann

Paul Eickermann
P.O. Box 10229
Fairbanks, Alaska 99710

April 10, 1987

APR 21 1987

Senator Jack Coghill
P. O. Box V
Juneau, Alaska 99811

Re: Senate Bill 200

Dear Senator Coghill;

I am a resident of the state of Alaska, and have mined with my uncle, Dell Johnson, for many years. I strongly urge the Senate to support Senate Bill 200 that calls for a two year moratorium on mining loans.

Lately with the economy being what it is, it seems harder and harder for the miners to make ends meet.

I also feel that since the farmers and the fishermen were given that option, that it is only fair that the miners be given the same consideration.

Sincerely,

Cary Hudson

Cary Hudson
1435 Preston Trail
Harlingen, Texas 78552
PH: (512) 428-8877

April 10, 1987

Senator Jack Coghill
P. O. Box V
Juneau, Alaska 99811

Re: Senate Bill 200

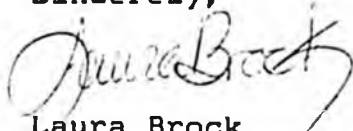
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Sincerely,



Laura Brock
2294 Polar Bear Court
North Pole, Alaska 99705

April 10, 1987

APR 21 1987

Senator Jack Coghill
P. O. Box V
Juneau, Alaska 99811

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Sincerely,

Lenora M. Smith

Lenora Smith
1361 Ivy Circle
Wasilla, Alaska 99687
Ph: (907) 373-3055

April 10, 1987

APR 21 1987

Senator Jack Coghill
P. O. Box V
Juneau, Alaska 99811

Re: Senate Bill 200

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Sincerely,



Roger D. Mechon
12830 Summer Drive
Anchorage, Alaska 99516
Ph: (907) 345-6608

April 10, 1987

APR 21 1987

Senator Jack Coghill
P. O. Box V
Juneau, Alaska 99811

Re: Senate Bill 200

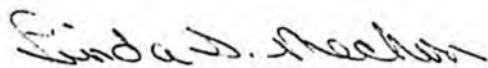
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Sincerely,



Linda S. Mechon
12830 Summer Drive
Anchorage, Alaska 99516
Ph: (907) 345-6608

April 7, 1987

: Coghill

NS SB-200

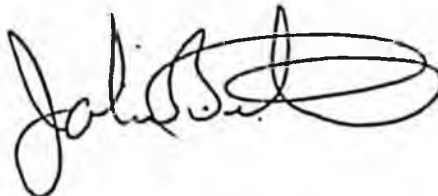
reference to SB-200 which I support.
important to the local miners under State

Due to the enforcement of unreasonable and some unattainable regulations being imposed on the mining industry, they need to get some relief immediately on their loans, in order to continue mining with the new restrictions.

SB-200 will have a dramatic influence on the future economy of the State of Alaska and its residents if it is not passed. Many of the miners will continue to default on their loans and leave the Mining Industry and the State of Alaska with their defaulted loans. This will result in a substantial loss of revenue both for the State of Alaska and private industry and a substantial lay off of personnel no longer required in the mining industry.

I am requesting that you support SB-200 to insure that the Mining Industry remains a healthy, sustained industry with a future for all of us.

Very truly yours,



CC: Senator Bettye Fahrenkamp
Senator Don Bennet
Senator Jan Falks

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

April 7, 1987

The Honorable Senator Jack Coghill
Alaska State Legislature
Pouch X-MS 3100
Juneau Alaska

SUBJECT: STATE MINING LOANS SB-200

Dear Senator Coghill:

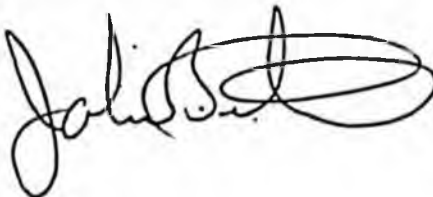
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Due to the enforcement of unreasonable and some unattainable regulations being imposed on the mining industry, they need to get some relief immediately on their loans, in order to continue mining with the new restrictions.

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Senator Don Bennet
Senator Jan Falks

April 7, 1987

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Alaska State Legislature
Pouch X-MS 3100
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Very truly yours,

Mark C. Roper

CC: Senator Bettye Fahrenkamp
Senator Don Bennet
Senator Jan Falks

April 7, 1987

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Alaska State Legislature
Pouch X-MS 3100
Juneau Alaska

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Senator Jan Falks

April 7, 1987

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Alaska State Legislature
Pouch X-MS 3100
Juneau Alaska

APR 10 1987

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Very truly yours,

Gwen Williamson

4010 #1 Pine St

J. Wainwright AK 99703

CC: Senator Bettye Fahrenkamp
Senator Don Bennet
Senator Jan Falks

April 6, 1987

Senator Jack Coghill
PO Box "V"
Juneau, AK 99811

Senator Coghill:

Please support SB#200. My family has been involved in mining for years and even though we do not have a State mining loan; the two year moratorium on the mining loans would be a definite boon to those struggling miners now caught in the State and EPA's web of costly rules and regulations. Many regulations which were imposed after the loans were already finalized.

Minerals are a valuable resource of the State and Miners are the means to cheaply extract them; therefore we should protect and support them 100%.

With all the new regulations various agencies are imposing on the miners, wouldn't it be a gesture of good faith to give them a financial break that would better prepare them to meet those expensive new standards?

Please protect the State's oldest, most valuable way of life.

Sincerely,

Bretton J. Henning
461 Henning Rd.
Fairbanks
Alaska 99712

April 6, 1987

Senator Jack Coghill?
PO Box "V"
Juneau, AK 99811

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Sincerely,

Harold R. Herring
461 Herring Rd
Fairbanks Alaska

April 6, 1987

APR 13 1987

Senator Jack Coghill
PO Box "V"
Juneau, AK 99811

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Sincerely,

Chris Rice
2037 Amy Djan Rd.
FBIK 99712

April 6, 1987 PR 1 3 1987

Senator Jack Coghill
PO Box "V"
Juneau, AK 99811

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Sincerely,

Gregory Alan Dick

APR 13 1987

April 7, 1987

The Honorable Senator Jack Coghill
Alaska State Legislature
Pouch X-MS 3100
Juneau, Alaska 99802

SUBJECT: STATE MINING LOANS SB-200

Dear Senator Coghill:

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I am requesting that you support SB-200 to insure that the Mining Industry remains a healthy, sustained industry with a future for all of us.

Thank you.

Sincerely yours,



Kay Harmsen
P.O. Box 58225
Fairbanks, Alaska 99711

CC: Senator Bettye Fahrenkamp
Senator Don Bennett
Senator Jan Falks

15 Glacier St.
Fairbanks, Alaska 99701
April 6, 1987

APR 13 1987

Senator Jack Coghill
PO Box V
Juneau, Alaska 99811

Dear Senator Coghill:

In my opinion the MORATORIUM ON MINING LOANS is very important to the State of Alaska, and well deserved by the miners. I pledge my support to this Bill No. 200!

This state was built on mining and it should certainly support the miners every way possible, and particularly by passing this bill as offering some relief to the burdens imposed on them daily by some new rule or regulation.

Please do what you can to get this bill passed. Thank you.

Sincerely,

Rory Cruikshank
Rory M. Cruikshank

PO Box 60437
Fairbanks, Alaska 99706
April 7, 1987

APR 13 1987

Senator Jack Coghill
Pouch V
Juneau, Alaska 99811

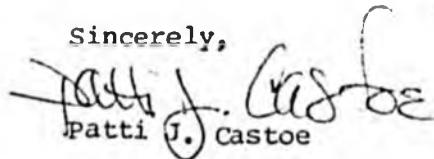
Re: SENATE BILL NUMBER 200

Dear Senator Coghill:

On behalf of my parents who are miners, as well as all miners in the State of Alaska, this is to stress how important I believe it is to pass Senate Bill No. 200 relating to a moratorium on mining loans.

If we lose placer miners, we lose a very big part of the history of Alaska.

Sincerely,


Patti J. Castoe

HEAVY METALS NORTH
LOYAL E. JORDAN
P.O. BOX 74410
FAIRBANKS, ALASKA 99707

APR 13 1987

April 7, 1987

Senator Jack Coghill
P. O. Box V
Juneau, Alaska 99811

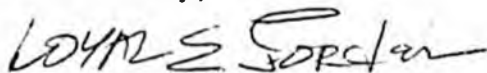
Re: Senate Bill 200

Dear Senator Coghill;

I have been mining in the state of Alaska for fifteen years. It has been my only income during those years. Lately with the economy being what it is, it seems harder and harder for the miners to make ends meet. Therefore, I strongly urge the senate to support Senate Bill 200 that calls for a two year moratorium on mining loans.

I also feel that since the farmers and the fishermen were given that option, that it is only fair that the miners be given the same consideration.

Sincerely,



Loyal E. Jordan

Michael D. Balen
S.R. Box 8848
Indian, Alaska 99540

Senator Jack Coghill
Alaska State Legislature
P.O. Box V (MS 3100)
Juneau, Alaska 99811

APR 13 1987

Dear Senator Coghill,

I am writing to you to express my support for SB 200 - "Mining Loan Moratorium". I feel this will be of great assistance to the states miners who are under ever increacing financial stress due to the unfavorable regulatory climate with respect to mining in Alaska. I am not a miner myself, but I currently work directly in the minerals industry in Alaska, and have been a miner in the past. I urge support on any legislation favorable to mining in Alaska. I feel that a mineral rich state such as ours should be able to create a positive environment for the development of private industry in minerals exploration and mining.

I wish to extend my thanks for the support you have shown the mining industry in Alaska, and I hope through continued efforts such as yours, that Alaska will soon be a recognised world class minerals producer.

Sincerely,



Michael D. Balen
Mining Engineer
U.S. Bureau of Mines

APR 13 1987
April 7, 1987

Senator Jack Coghill
P. O. Box V
Juneau, Alaska 99811

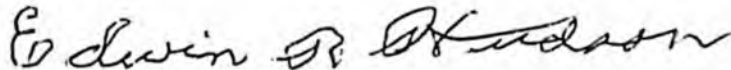
Dear Senator Coghill;

I would like you to know that I support Senate Bill 200 that calls for a two year moratorium on mining loans.

While I have retired and am no longer mining myself I still have family that are.

In view of the moratorium placed on farming and fishing loans I feel mining should be given the same consideration since the economy has affected the miners as well.

Sincerely,



Edwin R. Hudson
7224 Chilacot
Boise, Idaho 83709
PH: (208) 362-9366

April 7, 1987

Senator Jack Coghill
P. O. Box V
Juneau, Alaska 99811

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Sincerely,

Dorothea D. Hudson

Dorothea D. Hudson
7224 Chilacot
Boise, Idaho 83709
PH: (208) 362-9366

APR 13 1987

MARI E. JORDAN
P.O. BOX 74410
FAIRBANKS, ALASKA 99707

APR 13 1987

April 7, 1987

Senator Jack Coghill
P. O. Box V
Juneau, Alaska 99811

Re: Senate Bill 200

Dear Senator Coghill;

My husband and I have been mining in the state of Alaska for fifteen years. It has been our only income during those years. Lately with the economy being what it is, it seems harder and harder for the miners to make ends meet. Therefore, I strongly urge the senate to support Senate Bill 200 that calls for a two year moratorium on mining loans.

I also feel that since the farmers and the fishermen were given that option, that it is only fair that the miners be given the same consideration.

Sincerely,

Mari E. Jordan

Mari E. Jordan

1616 S. Cushman St.
Fairbanks, Alaska 99701
Apr ' 7, 1987

APR 14 1987

Senator Jack Coghill
PO Box V
Juneau, Alaska 99811

Re: SENATE BILL NO. 200


Dear Senator Coghill:

This is to offer my wholehearted support to Senate Bill 200,
a MORATORIUM ON MINING LOANS.

It is absolutely vital we try to keep the placer mining industry
going as it has been and will continue to be essential to the finan-
cial growth of Alaska.

In my opinion this bill is as necessary to the miners as the
moratoriums already in place for the fishing and farming industries.

Sincerely,



James T. Cruikshank

April 10, 1987

APR 15 1987

Senator Jack Coghill
P. O. Box V
Juneau, Alaska 99811

Re: Senate Bill 200

Dear Senator Coghill;

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Sincerely,



Cliff Hudson
322 Slater Drive W.
Fairbanks, Alaska 99701
Ph: (907) 456-6149

April 10, 1987

APR 15 1987

Senator Jack Coghill
P. O. Box V
Juneau, Alaska 99811

Re: Senate Bill 200

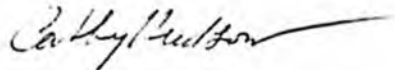
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Sincerely,



Cathy Hudson
322 Slater Drive W.
Fairbanks, Alaska 99701
Ph: (907) 456-6149

April 10, 1987

APR 15 1987

Senator Jack Coghill
P. O. Box V
Juneau, Alaska 99811

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Sincerely,

Sarah Y. Kignak

Sarah Kignak
P.O. Box 72888
Fairbanks, Alaska 99707
PH: (907) 488-1908

April 10, 1987

APR 15 1987

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P. O. Box V
Juneau, Alaska 99811

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Sincerely,



Richard Hudson
P.O. Box 72888
Fairbanks, Alaska 99707
PH: (907) 488-1908

April 10, 1987

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P. O. Box V
Juneau, Alaska 99811

APR 15 1987

Re: Senate Bill 200

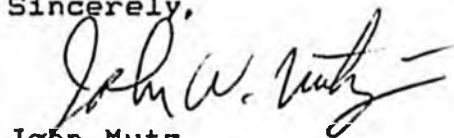
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Sincerely,



John Mutz
P.O. Box 10207
Fairbanks, Alaska 99710

April 10, 1987

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P. O. Box V
Juneau, Alaska 99811

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Sincerely,



Mark R. Montgomery
P.O. Box 1129
Fairbanks, Alaska 99701
Ph: (907) 474-0441

APR 15 1987

April 10, 1987

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P. O. Box V
Juneau, Alaska 99811

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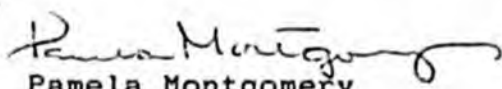
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Sincerely,


Pamela Montgomery
P.O. Box 1129
Fairbanks, Alaska 99701
Ph: (907) 474-0441

APR 17 1987

April 6, 1987
665 Farmers Loop
Fairbanks, AK. 99712

Senator Jack Coahill
Senate Resources Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Coahill,

We are writing to ask for your support of Senate Bill
No. 200.

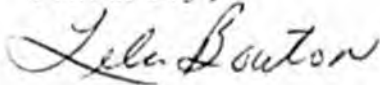
We obtained a State mining loan with an approved plan
of operation from the State. Since that time water
quality standards are such that we can not mine at our
full potential. It would be a financial disaster for
us to subject ourselves to fines of up to \$25,000.00
per day. We have worked very hard to try to meet water
quality standards and keep our loan current.

If we were to default on our loan not only would we
lose our equipment but also our home and land that
was used as collateral for this loan.

As you can see, we have been put in a very compromising
position with trying to mine to pay back our loan and
meet impossible water quality standards set by the State.

Thank you for your support.

Sincerely,



Glenn and Lela Bouton

April 10, 1987

APR 17 1987

Senator Jack Coghill
P. O. Box V
Juneau, Alaska 99811

Re: Senate Bill 200


Dear Senator Coghill;

I strongly urge the Senate to support Senate Bill 200 that calls for a two year moratorium on mining loans.

Lately with the economy being what it is, it seems harder and harder for the miners to make ends meet.

I also feel that since the farmers and the fishermen were given that option, that it is only fair that the miners be given the same consideration.

Sincerely,



Helen Alm
P.O. Box 121
Homer, Alaska 99603
Ph: (907) 235-8825

April 7, 1987
509 Farmers Loop
Fairbanks, AK. 99712

Senator Jack Coqhili
Senate Resource Committee
Pouch V
Juneau, AK. 99811

Dear Senator Coqhili,

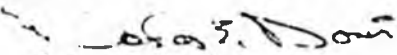
We ask for your support of Senate Bill No. 200.

Being from a family that mines we are familiar with the mining industry. Miners obtained loans and are now unable to mine to their full potential because of restrictive regulations. .

We feel the State of Alaska should work with the mining industry to promote the economy of Alaska.

Thank you for your support.

Sincerely,



Patricia Davis
Douglas and Patricia Davis

April 7, 1987
667 Farmers Loop
Fairbanks, AK, 99712

Senator Jack Coqhll
Senate Resource Committee
Pouch V
Juneau, AK. 99811

Dear Senator Coqhll,

We are writing to ask for your support of Senate Bill No. 200.

We feel the State of Alaska should work with the mining industry to promote the economy of our State.

Thank you for your support of this bill.

Sincerely,

Steve & Tanya Rickman

Steve and Tanya Rickman

April 7, 1987
665 Farmers Loop, #4
Fairbanks, AK. 99712

Senator Jack Coqhll
Senate Resource Committee
Pouch V
Juneau, AK. 99811

Dear Senator Coqhll,

I am writing for support of Senate Bill No. 200.

HAVING worked in the mining industry I am aware that many miners are having difficulty paying their State Mining Loans. The problem is that they can not mine at full capacity because of restrictive regulations.

Thank you.

Sincerely, *Bruce Whitebear*

Bruce Whitebear

April 6, 1987
790 Cessna Drive
Fairbanks, AK. 99712

Senator Jack Coghill
Senate Resource Committee
Pouch V
Juneau, AK. 99811

Dear Senator Coghill,

We are writing to ask for your support of Senate Bill No. 200.

We feel the State of Alaska should work with the mining industry to promote the economy of the State.

Being from a mining family we are familiar with the mining industry. Miners were given mining loans and are now unable to mine at their full potential because of restrictive regulations.

Thank you for your support.

Sincerely,

Sherri & Vern Bouton

Vern and Sherri Bouton

April 10, 1987

APR 17 1987

Senator Jack Coghill
P. O. Box V
Juneau, Alaska 99811

Re: Senate Bill 200

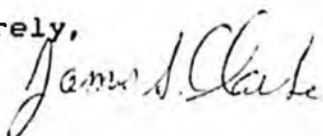
Dear Senator Coghill;

I strongly urge the Senate to support Senate Bill 200 that calls for a two year moratorium on mining loans.

Lately with the economy being what it is, it seems harder and harder for the miners to make ends meet.

I also feel that since the farmers and the fishermen were given that option, that it is only fair that the miners be given the same consideration.

Sincerely,



James Clarke
P.O. Box 10640
Fairbanks, Alaska 99710

April 10, 1987

APR 17 1987

Senator Jack Coghill
P. O. Box V
Juneau, Alaska 99811

Re: Senate Bill 200

Dear Senator Coghill;

I strongly urge the Senate to support Senate Bill 200 that calls for a two year moratorium on mining loans.

Lately with the economy being what it is, it seems harder and harder for the miners to make ends meet.

I also feel that since the farmers and the fishermen were given that option, that it is only fair that the miners be given the same consideration.

Sincerely,

Ty O. Montgomery
Ty O. Montgomery
P.O. Box 1129
Fairbanks, Alaska 99701
Ph: (907) 474-0441

April 10, 1987

APR 17 1987

Senator Jack Coghill
P. O. Box V
Juneau, Alaska 99811

Re: Senate Bill 200

Dear Senator Coghill;

I strongly urge the Senate to support Senate Bill 200 that calls for a two year moratorium on mining loans.

Lately with the economy being what it is, it seems harder and harder for the miners to make ends meet.

I also feel that since the farmers and the fishermen were given that option, that it is only fair that the miners be given the same consideration.

Sincerely,

Natalie Montgomery

Natalie Montgomery
P.O. Box 1129
Fairbanks, Alaska 99701
Ph: (907) 474-0441

DRAFT COMMITTEE SUBSITUTE FOR SB 200

THIS DRAFT INCLUDES LANGUAGE THAT DCED SUPPLIED IN ADDITION TO LANGUAGE OF THE SPONSOR (WHICH IS UNDERLINED),

FOR AN ACT ENTITLED: "AN ACT MAKING CHANGES TO THE MINING LOAN FUND AND PROVIDING FOR AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

SECTION 1. AS 27.09.040 (A) (2) IS AMENDED TO READ:

SEC. 27.09.040 (A)(2) MAY NOT EXCEED A TERM OF 15 YEARS EXCEPT FOR EXTENSIONS OR MODIFICATIONS UNDER AS 27.09.048.

SECTION 2. AS 27.09 IS AMENDED BY ADDING A NEW SECTION TO READ:

SEC. 27.09.048. EXTENSIONS AND MODIFICATIONS. THE DEPARTMENT MAY GRANT EXTENSIONS OR UTILIZE MAXIMUM FLEXIBILITY, INCLUDING INTEREST WRITE DOWNS OR INTEREST WRITE OFFS, WHEN MODIFYING EXISTING REPAYMENT PLANS TO ASSIST BORROWERS THAT:

- 1) HAVE EXPERIENCED POOR MINING SEASONS; OR
- 2) CAN SHOW THAT THE REGULATORY CONDITIONS AFFECTING MINING OPERATIONS UNDER WHICH THE LOAN WAS GPANTED, WERE CHANGED BY THE STATE IN A MANNER WHICH INHIBITS THE BORROWER FROM FULFILLING THE TERMS OF HIS LOAN.

RESOLUTION

WHEREAS the state water quality regulations have placed miners in a position of having to meet uneconomically attainable standards, and

WHEREAS miners therefore cannot economically operate and thus pay back their loans, and

THEREFORE BE IT RESOLVED THAT THE MINERS ADVOCACY COUNCIL UNANIMOUSLY SUPPORTS PASSAGE OF SENATE BILL 200.

Passed this 7th day of April 1987.

Signed

Josh Moore

Josh Moore
President

STATE OF ALASKA

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

DIVISION OF INVESTMENTS

STEVE COWPER, GOVERNOR

P. O. BOX D
JUNEAU, ALASKA 99811-0800
PHONE: (907) 465-2510

April 20, 1987

Honorable Jack Coghill
Chairman
Senate Resources Committee
P.O. Box V
Juneau, AK 99811

Dear Senator Coghill:

In response to the question raised by Senator Duncan during the April 16, 1987 Senate Resources Committee hearing, following is the information on the division's practices of recording liens on loan collateral.

Specifically, Senator Duncan questioned what types of property were recorded under the Uniform Commercial Code (UCC). We follow the UCC guidelines published by the Alaska Department of Natural Resources; generally the types of property registered under UCC include:

Mobile homes	Accounts receivable
Inventory	Chattel paper
Machinery	Certain types of vehicles
Equipment	General intangible personal property
Contract rights	Consumer goods for commercial purposes
AK-registered vessels	

The division also registers property through other organizations:

- Vehicles and equipment for highway use - Division of Motor Vehicles
- Airplanes - Federal Aviation Administration
- Real property and certain types of consumer goods - District Recorder
- Limited entry fishing permits - Commercial Fisheries Entry Commission
- Documented vessels - U.S. Coast Guard

In every circumstance when collateral is taken on a loan, we secure that property through one of the avenues mentioned above, although this practice may not have been consistently followed in the past.

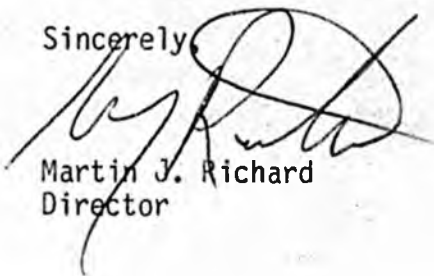
Honorable Jack Coghil

-2-

April 20, 1987

I hope this information is helpful. Please let us know if you have any further questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Martin J. Richard", written over the word "Sincerely,".

Martin J. Richard
Director

MJR/wfs0216Y
42087a

cc: Senator Jim Duncan

GOLD DUST MINES

POST OFFICE BOX 2151

FAIRBANKS, ALASKA 99707

4/5/87

The Honorable Senator Coghill
Alaska State Legislature
Pouch V- MS 3100
Juneau, Alaska 99811

APR 8 1987

RE: State Mining Loans, SB 200

Dear Jack,

I am writing this letter in support of SB 200 and why this bill is such an important matter for 39 mining Company's operating under State Mining Loans.

Because of the uncertainty in regulations and current pending Law suites, (Seirra vs. BLM) the added costs to our operation (Gold Dust Mines) has been financially devastating.

One of the requirements to qualify for a State Mining Loan was for the Miner or Mining Co. to have at least 5 years of mining experience showing a profit on the ground they have been mining. Of course 5 years of mining produces 5 years of tailing piles. Again in our case we have been mining at our present site for 20 years and have 20 years of tailing piles.

The agreements that came out of the Seirra Club vs. BLM suite last spring now make it mandatory for all operators to complete rectro active reclamation back to 1981. BLM was found to be at fault for no-enforcement of FLMPA laws by BLM.. The miners were caught in the middle.

The affect that this decision has had on our mining operation are two fold. First of all the reclamation from year to year has been worked into our plan of operation with only about a 10% added cost. But to go back into old tailings from past years, the cost has been staggering. In our case these old tailings are permanently frozen and requires much effort and equipment time to accomplish this. It took 346 hrs. of equipment time and 692 man hrs. at a cost of approx. \$250,000.00 to meet our rectro active requirements for last year before we were allowed to continue our operations. This also caused us to loose about 31 days of our mining season which was critical to us. This same process will continue for a least two to three more years for us until we reclaim all land disturbed since 1981.

If we had known that this would have been a requirement for us to accomplish this type of reclamation in the past years we could have made the changes in our operations at that time to accomplish this, but when the requirements change from year to year the extra cost has put our State Mining Loan in default because of the added cost to our operation. With the passage of SB 200 we could gain the vital needed time to divert the moneys to keep our operation going and meet the Sierra Club demands. Its a shame that the better operations with a history of mining was hardest hit with this law suite.

Best Regards,



D.M. Ackles
Gold Dust Mines

cc: Senator Fahrenkamp
Senator Bennett
Senator Falks

To senator Coshill, my name is
Jim Dale, attached are some letters
reflecting my situation. I have a State
Mining Loan # 40-200-406. any
questions you might have please contact
me or Debbie my wife at 488-1717 home
or 452-7111 at work.

Thank you
Jim Dale

December 1, 1986

To Whom it may concern:

In an attempt to obtain temporary relief from our debtors;; yet still continue any and all payments and/or obligations financially; we submit the following.

In reference to Loan # _____

We are placer miners in the Fairbanks Mining District and have been since spring 1982. We have placer mined in Alaska as a sole support for our family of 10, for the past 11 years. We have been able to make adequate funds to maintain our home and lifestyle until the Government and State Environmental Agencies began enforcing regulations "Reg's" invented by their offices, in order to prohibit mining in the State.

In 1983 and 1984, "they" (the said agencies) came on to our mining properties, "in coercion" and against our will, and took water samples from our waters at their selected places and times in an attempt to shut us down.

We were then given a fine of \$10,000. (exhibit 1) which we paid part on, but did not finish, because as the issues began coming into the courts, no-one knew what should be done, or what was fair and admissible. (exhibit 2)

Our case was two years in the court system before the Attorney Generals' Office began taking hold and lien on properties in the mining district in order to collect monies on all the water quality fines they had been issuing to miners.

Then in July 1986 the A.G.s' office issued an order to sieze property worth a great excess in the amount we owed, and most of it not even being owned by us, but only being used by our operation, or sitting on the sight. (exhibit 3) We answered to inform them of their mistake, and made several phone call attempts to work with the A.G.s' office on a payment plan, but were never answered or even allowed to talk to anyone. We then put in a written attempt which was registered and recieved, (exhibit 4) and asked for a payment plan.

The next thing that happened was we pulled into the scales with our tractor and semi, and while gone to obtain a travel permit, persons employed by EPA, DEC in co-execution with the A.G.s' office, broke into and hot-wired our tractor, and stole the tractor, lowboy,

and the loader we were hauling for someone else. We were then informed by phone, that "they" had our equipment and would be auctioning it to pay the fine, and the fact that it was three to four times over the value of the fine did not matter. We filed (exhibit 5) in the court and as yet do not know where our status is on the fine, or the auction.

As you can see, "they" have made it as hard as possible for miners to continue their livelihoods, in fact, many miners have just plain given up, feeling powerless against these persons, and situations.

We have not given up nor ever intend to. We enjoy our livelihood, and believe what they are doing is wrong, and eventually there will be relief or ways to work around them. But regardless, we are hard-working people, and intend to stay in business.

We leased another tractor in order to fulfill our obligations to contracts, or complete ones in progress, for hauling. We still have most of our equipment with which we try to put to work in snow-removal or such this winter in order to survive. Come next mining season we will be mining again, and have a lease on a piece of property with a long excellent track record for placer mining. (see said lease agreement attached)

We have not gotten any more water fines recently because now we re-cycle our operation in an attempt to maintain zero discharge into the stream. In order to set up our operation to do this, and meet their Regs', it has cost us approximately \$160,00. in the past two seasons. Total losses since 1982 due to environmental issues, has been \$687,000. We now operate this way and should be able to pay these debts of re-designing in one or two seasons.

We should be able to resume full payments, plus make-up payments in July 1987. We did similar this past spring when we had gotten behind on our payments by three months then did a payment in excess of \$5,000 to catch up.

We are willing to make $\frac{1}{2}$ payments and then resume full payment and a make-up one at that time, or possibly pay the entire behind amount with the first full payment. Preferably in July, as that is when we will be sure to be pulling money out of the operation.

Thank-you for your help and consideration.

Sincerely,

3

To . . .
Of The Great State of Alaska,

My name is Jimmie Dale. This letter is in reference to case.
#4FA-84-1920 Civil.

To get to the point, the State has adopted some water quality regulations for mining that are incredibly difficult to achieve. They are so difficult that even the State can't meet their own regulations in any of the state parks. (DEC, Fish and Game, etc.)

I have done everything that anyone has asked me to do, or required me to do, and all of this has been done at my own expense, and I will continue to improve on the water quality at my mine sight.

In the meantime, I need some relief from this horrible onslaught of persecution from the State Dept. of Environ. Conservation, and Fish and Game. They have fined me \$16,000. and have taken \$45,000. worth of equipment and are trying to get another \$200,000. worth of equipment for the one \$16,000. fine. Here are the facts on how they took my equipment. It was at the end of the mining season, 1986, and I was hauling in a 980 Cat Front-end Loader with my 1980 White Western Star Semi Truck, and a 1975 3-axle low-boy trailer. I had to cross the scales and get a permit for over-width. They would not give me a permit, so while I was in town getting a permit, persons from the said agencies in Co-execution with John McDonagh of the Attorney Generals' Office, broke the ignition switch out of the dash of said Semi Truck, and hot-wired the ignition and took said truck and trailer and loader to the Dept. of Transportation impound yard. I then recieved a phone call saying, we have your truck and load. The Attorney Generals' Office said it was legal because they had a writ of execution over water quality regulations. A point to note is, that even before this happened, I tried to work with the A.G.s' Office on some sort of payment plan, and they would not talk to me over the phone at several attempts, were not in when I went in person, and did not answer certified written attempt.

I read in the United States Constitution, in Amendment 14, that

(4)

"No State shall deprive any person of life, liberty or property, without due process of law." I have asked for a trial and have been denied. I have asked for a hearing and have been denied. I also read in the Constitution of Alaska, Article 1 Section 7, that; "No person shall be deprived of life liberty or property without due process of law. The right of all persons to fair and just treatment in the course of legislative and executive investigations shall not be infringed." Also, Judge VanHoomissen, once said, in State of Alaska vs Dale Order Denying Temporary Restraining Order, in his Conclusions of Law, that "The selective enforcement of the water quality standards in this case (4FA-84-1920 Civil) without clear and unequivocal standards for such enforcement violates the defendants' rights under Article I, Sec. 7 of the Constitution of the State of Alaska." and also that "If the water quality standards of the state are to be discretionaly enforced, clear and unequivocal guildlines must be established so that miners can know with some dgree of certainty how the law is to be applied."

I have never at any time given anyone permission to search or sieze my property, and have never been issued a warrant. The only thing that I ever signed, which led up to the judgement on the \$16,000. , I did not understand. I informed them of such. Plus, I have found some new evidence with a witness, that I think would prove my case.

I desperatly need some help, to get some relief. I need my equip-ment back so I can earn some money and support my family. I am married and have seven children at home. I have always done well, in the past 10 years of mining in Alaska, at supporting my family. But, the recent onslought of persecution by DEC, and Fishand Game have put us in extreme financial hardship.

The bottom line is, I have done everything possible to have the best water quality that I can. I am a very good miner with a lot of experience and a lot of high-teck ideas, that I will incorp-orate if given a chance. Please help me. I will work with you any way that I can. I have and will continue to support you.

Sincerely,

Jimmie Dale

DBA J&D Mining
3644 Eddie Road
North Pole, Ak



POLAR AUTOMOTIVE

1/10th Mile Dennis Road
Telephone: 907-488-6818

S.R. Box 70652
Fairbanks, Alaska 99701

April 12, 1987

Senator Jack Coghill

In reference to Senate Bill 200 granting the miners a two year moratorium, we are all in favor of this for the miners to give them a chance to reorganize.

It is a too bad that due to the financial strain many of them have been forced out of business, and the stronger are now having to fight the environmentalists. Had we all known 25 years ago that Statehood would give us all these radical environmentalists we probably would never have voted on joining the Union.

These do gooders from the lower 48 should stay down there and keep their noses out of Alaskan affairs.

Lets get back to running Alaska for Alaskans' instead of for the benefit of all these people who can't do anything other than work for the Government harrassing people who are hard working and not sitting around smoking cigarets, drinking coffee and dreaming up more ways to make it rough on our truly Alaskan spirited people .

Yours truly,

Hardin & Joan

HARDIN AND JOAN TERREL

Valley Construction Inc.
2½ mile Badger Road
North Pole, Alaska

Senator Coghill,

The mining industry needs help! Senate Bill # 200 would give them the help they need so desperately.

The mining industry create a lot of jobs for many Alaskans.

I would like to bring to your attention the wide variety of business it takes for a mine to operate.

Bulk Plants, fuel, gas, diesel, propane, heavy equipment, steel machine shops, trucking company's, Insurance Agency's, Law Firm's to fight EPA, Parts Store's, The many state and federal officials, Surveyors, Engineers, Whole Sale Houses, Lumber and Building supplies, Grocery Stores, not to mention the direct employes.

The miner has a high overhead and the EPA is close financially breaking them.

Senate Bill#200 would be an answer to their problem. The miner puts more back into the state than any one business I know of.

Thank You,



Vern Still

Vally Construction Inc.

1366 Fickes Loop
Space 11
North Pole, Ak. 99705
April 9, 1987

Senator Coghill,

Subject: Senate Bill # 200

This should help a lot of miners that are on the verge of defaulting on their mining loans.

With a two year moratorium they will be able to get their mines back on a paying basis.

One other thing to help all Alaskans and small business is to cut the EPA's budget and put a stop to any further un-needed regulations.

Sincerely yours,

Dorothy H. Montgomery
Dorothy Montgomery

Boulder Creek Mining Co.
P.O. Box 2618
Fairbanks, Alaska 99707
April 10, 1987

Senator Coghill;

Bill # 200 concerning a two year moratorium on mining loans will help a large number of placer miners to reorganize their operations, and to meet increased environmental standards. It will also give them a chance to get their equipment in shape, and put their operations on a paying basis for future years.

We need more private business and less regulation to make Alaska prosper.

Sincerely,

Dorothy M. Fickes
Les Fickes

Les & Dorothy Fickes

Boulder Creek Mining Co.

April 13-1987

To Senator Coghill,

I am writing in concern to the
Senate Bill 200.

I am in favor of this instead
of the miners going out of business.
We can at least give them a chance
to reorganize. These are some hard
working people + I think they at
least deserve a chance.

Thank You

Mrs Carson Starkey

Mr. Cameron Starkey

(5)


Big State Equipment
Van Horn Road
Fairbanks, Alaska
April 10, 1987

Senator Coghill,

I support Senate Bill # 200 and think it is a step in the right direction to help private enterprise be successful in Alaska.

The mining industry is important to Alaska's future, and steps should be taken to stop the continued harrassment to the industry by the EPA.

Yours Truely,



Joe Gilbertson
DBA Big State Equipment
DBA Aurora Trucking

North Pole Taxi
2026 Kendall Ave.
North Pole, Ak. 99705
April 8, 1987

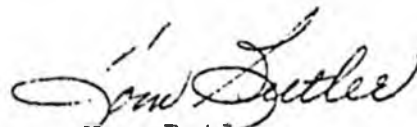
Senator Coghill,

I am in favor of Senate Bill - 200.

With all the regulations the EPA has put on the miners, it has caused a financial diffcultive for them. The two year moratorium would inable most miners to meet both the EPA standards, and start repaying their mining loans.

The miners create a lot of jobs for Alaskans, and for the most part this money stays in Alaska.

Sincerely Yours ,



Tom Butler

DEA North Pole Taxi

Dear Senator Coghill:

April 13, 1987

I am deeply concerned about Senate Bill #200. As you know, the economy of this great state is cause for concern by all its citizens now. I believe anything that can be done to help the miners at this time would be greatly appreciated. Let's give them a chance for survival! I urge you to vote yes on Senate Bill #200! Thank you for your concern and support.

Sincerely,
Pat + Carol Oganne

P.O. Box 58269
Fairbanks, Ak 99711
April 13, 1987

Senator Jack Coghill,

We have just heard of your Senate bill #200, and are in favor of it. It would give the miners an extension to get their finances in shape, after the hardship the EPA has put them through.

This state needs the mining industry for its economy, so lets give them some help.

Sincerely,

Dave Henry

April 7-87
Btl, ak
99726

Senator
Jack Coghill:

Perhaps never in the history of the union has a state done so little to help a group of business men and women, namely the Alaskan miners.

The State and the U.S. Congress pass laws to support fishing, Fisheries and major contribution to the fishing industry.

Agriculture and Forestry loans and regulations support these industries both state and federal agencies uphold the needs of agriculture.

The Alaska miner stands alone, blasted by state and federal water standards that increased the cost of mining, double & triple in the last 2-3 years.

Equipment and repair costs are up.
Mining loan interest is unnecessarily high.

The State has done nothing to aid miners access on 2477 or other trails and access corridors.

Federal actions have closed down thousands of acres of mineral land once open to miners.

Competition from ~~Canada~~^{Canada}, Russia, South Africa; Australia & South America and other countries where wages are cheap and Government support is high, compete against Alaska miners.

If Alaskan miners must compete alone with out State Aid, lower interest, longer

term mining loans and a 2 year moratorium
on payments, the future of mining and
mineral exploration and development may very
well collapse and ~~mining~~ mining by Alaska
long time experienced residence will
be a lost business.

Thank you
Mick & Cec Mann
& Family
Bethel, ak 99721

Alaska is a vast unexplored mineral Belt.

New technology to develop paying mines has not
been given the time to develop Alaskas mineral industry
Do not kill the goose that could lay Halden Eggs
for Alaskas ailing economy by financially
strangling Alaska mines. While they already
struggle on regulations will only drive Alaskas
economy deeper into a financial depression

Thank you for
your consideration



LIVENGOOD/TOLOVANA MINING DISTRICT

P. O. BOX 73069 - FAIRBANKS, ALASKA 99705

April 7, 1987

APR 9 1987

Senator Jack Coghill
Senate Resources Committee
Pouch V
Juneau, Ak 99811

Dear Senator Coghill;

I am writing on behalf of the Livengood/Tolovana Mining District to ask your support for SB 200.

There are several miners in our District that are having difficulty paying their state loans. The difficulty lies in their ability to mine at their full potential due to water quality problems.

It is ironic that the State of Alaska has instituted a mining loan program, and then has condoned the imposition of restrictive regulations that stifle mining. It has put those miners that have loans in a very compromising position.

Therefore, the Livengood/Tolovana Mining District would like to ask that the State put a moratorium on the mining loan program until such time as the regulations are compatible with good mining practices.

Thank you for your consideration.

Sincerely,

Rose Rybachek, President

SB

205

Alaska State Legislature

Senate Resources Committee



Sen. John B. (Jack) Coghill, Chairman
Sen. Paul Fischer, Vice-Chairman
Sen. Lloyd Jones
Sen. Arliss Sturgulewski
Sen. Jim Duncan
Sen. Fred Zharoff
Sen. Dick Eliason

Box V
Juneau, Alaska 99811
(907) 465-4907

April 8, 1987

To: Members of the Senate and House Committee on Resources
From: Senator Coghill
Re: "SB 205, An Act Relating to the Railbelt energy council and providing for an effective date"

The Railbelt Energy Council (REC) was created by the Legislature during the 1986 session. The Council was established to review various energy related issues and problems of the Railbelt and how best to utilize the Railbelt Energy Fund (REF). The Council was to report its recommendations to the Legislature by February 15, 1987.

The Council was of immense value to all 13 of its members. The legislators became well-versed with the Railbelt energy issues, while the utilities were able, for the first time, to forge a consensus on how best to address the Railbelt energy needs. The council completed its report on January 24, 1987 and transmitted its unanimous findings and recommendations to the legislature.

SB 205 will extend the Council for one year in order to monitor the implementation of its recommendations. In addition, it will provide the only formal mechanism for participation by the Railbelt utilities. The Council will report to the 1988 legislature on how well the recommendations are being implemented and whether there are any remaining problem areas.

In addition, SB 205 will add the Alaska Power Authority to the membership of the Council. The purpose is to make sure that all key players are officially represented in order to enable the Council to address the Railbelt energy issues in the most comprehensive and coordinated manner possible.

ALASKA POWER AUTHORITY
POSITION PAPER

SENATE BILL NO. 205

The Alaska Power Authority does not currently have a formal position on Senate Bill No. 205. The Alaska Power Authority Board of Directors has not had the opportunity to meet and adopt a position on SB 205. The Alaska Power Authority Board of Directors is scheduled to meet on April 21, 1987 and SB 205 will be presented for the Board's consideration at this meeting.

While the Alaska Power Authority cannot speak directly on the bill, the overall intent of the legislation appears to enhance the newly established working relationship and rapport between the Alaska Power Authority and the Railbelt utilities which has developed over the recent months.

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER:

**FISCAL NOTE(S) ATTACHED **
IN ACCORDANCE WITH AS 24.08.035
(see below)

3/23/87

DATE TURNED INTO OFFICE _____

Mr. President:

RESOURCES _____ Committee considered _____ SB 205

Railbelt energy council; efd.

and recommended:

[X] replace with CS 205(res) _____ [] same title
[] new title

[] attached amendment(s) and

[X] do pass

[] do not pass

[] no recommendation

[] individual recommendations

[] further referral to _____

[] letter of intent adopted and attached

** Committee [X] attached or [] adopted fiscal note(s)
[X] zero [] fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Handwritten signatures]

[Handwritten signature]

Chairman signature and recommendation
do pass

[] Committee Backup Attached

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

Revision Date : _____

REQUEST

Bill/Resolution No. : Senate Bill No. 205
 Title : An act relating to the Railbelt energy council; and providing for an effective date.
 Sponsor : Coghill and Faiks
 Requestor : (S) Resources Committee
 Date of Request : 4/7/87

FISCAL DETAIL

Agency Affected : Alaska Power Authority
 BRU : Department of Commerce & Economic Development
 Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
----------------	---	---	---	---	---	---

REVENUE	0	0	0	0	0	0
----------------	---	---	---	---	---	---

FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Prepared by: *S. White Jr*
Robert E. LeResche, Executive Director
 Division : Alaska Power Authority

Phone : 465-3575
 Date : 4/7/87

Approved by Commissioner : J. Anthony Smith
 Agency : Dept. of Commerce & Economic Development

Date : _____

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

S B

206

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of _____ 5-DAY NOTICE
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER: FINANCE

**FISCAL NOTE(S) ATTACHED _____ **
IN ACCORDANCE WITH AS 24.08.035
(see below)

3/23/87 DATE TURNED INTO OFFICE _____
Mr. President:

RESOURCES _____ Committee considered SB 206

Alaska Power Authority; efd.

and recommended:

[] replace with CS SB 206 (res) [] same title
[] attached amendment(s) and [] new title

[] do pass

[] do not pass

[] no recommendation

[] individual recommendations

[] further referral to _____

[] letter of intent adopted and attached

** Committee [] attached or [] adopted fiscal note(s)
[] zero [] fiscal impact

MEMBERS SIGNING DO PASS

[Signature]
[Signature]

OTHER RECOMMENDATIONS

[Signature] - NO REC

[Signature]
Chairman signature and recommendation

[] Committee Backup Attached

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : Senate Bill 206
 Title : An act relating to the Alaska Power Authority; and providing for an effective date.
 Sponsor : Coghill and Faiks
 Requestor : _____
 Date of Request : _____

FISCAL DETAIL

Agency Affected : Alaska Power Authority
 BRU : Department of Commerce and Economic Development
 Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING						
CAPITAL						
REVENUE						

FUNDING : (Thousands of Dollars)

GENERAL FUND		(2,900)	(2,800)	(2,600)	(2,400)	(2,300)
FEDERAL FUNDS						
OTHER						
TOTAL		(2,900)	(2,800)	(2,600)	(2,400)	(2,300)

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

General Fund savings based on estimated loan demand of Power Project Loan Fund. Savings are net of principal and interest payments on loans that would have been deposited in General Fund had the loans been funded with appropriations. Assumes no delinquencies, and payments on existing loans that are used as security for bonds are not required for replenishment in debt service.

Prepared by : Robert E. LaRescne Phone : 465-1575
 Division : Alaska Power Authority Date : April 7, 1987

Approved by Commissioner : _____ Date : _____
 Agency : _____

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Senator John B. (Jack) Coghill
Alaska State Legislature

Pouch V
Juneau, Alaska 99811
(907) 465-4921

Box 55028
North Pole, Alaska 99705
(907) 488-0862



April 8, 1987

To: Members of the House and Senate Resources Committee
From: Senator Coghill
Re: CSSB 206

CSSB 206 makes pertinent changes to existing law relating to the Alaska Power Authority.

Section 1 amends AS 44.83.092 by adding a new subsection (b) which recognizes the project management committee being established by the power sale agreements. The purpose is to allay the concerns of the bond buyers as to the exact function and authority of these committees.

Section 2 amends AS 44.83.170 by adding a new subsection (i) setting up a loan advisory committee, composed of Railbelt utilities, to review all loan applications for Railbelt-energy related projects and advise APA of their recommendations. The purpose is to obtain Railbelt utility input on pertinent loans.

Section 3 amends the Power Project Fund statutes (AS 44.83.170) by adding a new section, AS 44.83.172, which will allow APA to issue revenue bonds secured by the loan repayments and moral obligation of the State. This APA loan program has been a success and currently has 23 outstanding loans valued at \$30,239,000, with a zero delinquency or default rate. The interest rate is set by APA but cannot be less than 5%. In the past, the loan funds have come from General Fund appropriations. These appropriations are expected to be severely curtailed or eliminated. In short, the borrower would have access to loan funds obtained from revenue bonds at market rates not available to individual small borrowers.

Section 4 amends AS 44.83.187(d) by eliminating the applicability of AS 44.83.177-44.83.185 to electrical transmission or distribution facilities. Present statutes are somewhat ambiguous as evidenced by opposing legal opinions from the AG and LAA Legal Services. While the transmission line projects are different from power generation projects, they would still have to comply with the APA's project approval process policy.

(7) "power costs" means costs used in determining power cost equalization in accordance with (b) and (d) of this section. (§ 42 ch 83 SLA 1980; am § 8 ch 118 SLA 1981; am § 3 ch 79 SLA 1983; am § 1 ch 133 SLA 1984; am § 76 ch 74 SLA 1985)

Effect of amendments. — The 1985 amendment substituted "AS 29.60.020" for "AS 29.88.015" at the end of subsection (m).

Sec. 44.83.165. Appropriation for power cost equalization. The sum of \$15,900,000 is appropriated on July 1, 1984, from the general fund to the power cost equalization fund (AS 44.83.162). (§ 314 ch 171 SLA 1984; am § 7 ch 41 SLA 1986; am § 454 ch 130 SLA 1986)

Effect of amendments. — The first 1986 amendment deleted "Continuing" at the beginning of the catchline and deleted "and the sum of \$21,700,000 is appropriated on July 1 of each subsequent fiscal year" following "July 1, 1984."

The second 1986 amendment, effective June 10, 1986, substituted the sum of "\$15,900,000" for "\$16,300,000."

Editor's notes. — Section 20, ch. 41, SLA 1986 provides that the 1986 amendment is retroactive to July 1, 1985.

Article 6. General Provisions.

Section
187. Applicability of sections
195. Operation of projects

Section
224. Long-term energy plan

Sec. 44.83.187. Applicability of sections. (a) The provisions of AS 44.83.177 — 44.83.185 and 44.83.189 apply only to a proposed new project that will generate more than 1.5 megawatts of power and

(1) requires an appropriation from the state general fund, from the power project fund, or from the renewable resources funds; or

(2) is based on a plan of finance which requires the issuance of general obligation bonds or other pledge of the credit of the state.

(b) The provisions of AS 44.83.177 — 44.83.185 and 44.83.189 apply to a project that generates more than 25 megawatts of power for which the authority will issue its revenue bonds for costs of construction.

(c) The provisions of AS 44.83.177 — 44.83.183 do not apply when a reconnaissance study and a feasibility study for a proposed new project have been prepared by an agency of the federal government, if the authority determines that the reconnaissance study and the feasibility study prepared by the agency of the federal government provide information sufficient to permit the authority to finance and construct the proposed new project in accordance with the requirements of this chapter. When a reconnaissance study and feasibility study are prepared for a proposed new project by an agency of the federal government and the authority proposes to finance and construct the proposed new project, the authority shall provide copies of the studies and a

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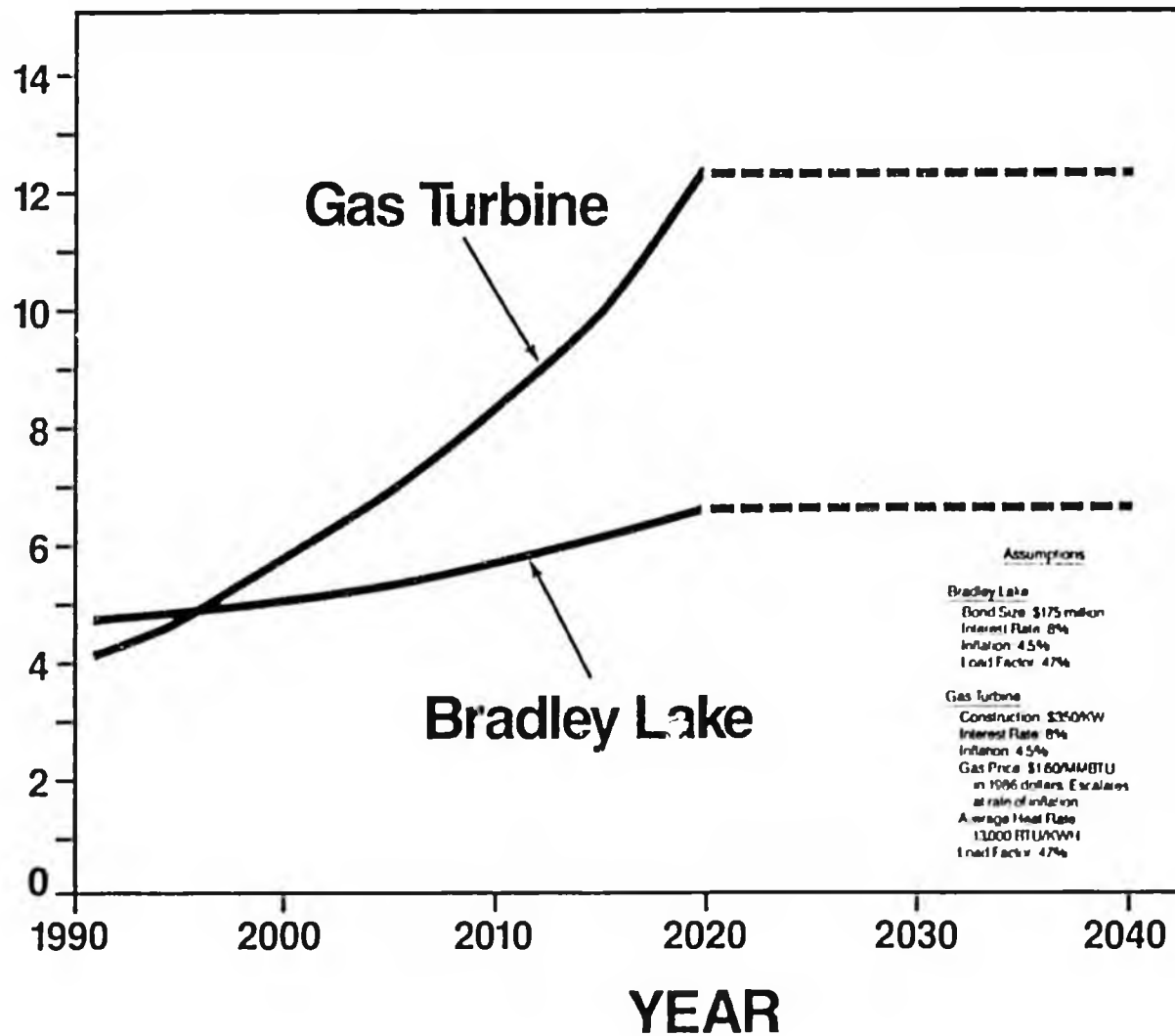
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BRADLEY LAKE vs. GAS TURBINE PROJECTED RATES

CENTS
PER
KWH
(nominal)





Alaska Power Authority

RAILBELT INTERTIE BENEFITS

Quantified

- Economy interchange
- Reserve Sharing
- System Efficiency
- Siting Flexibility for New Plants

Not Quantified

- System Reliability
- Increased Utility Coordination
- Distribution of Bradley Lake Benefits
- Enhanced Competition Among Fuel Suppliers



Alaska Power Authority

RAILBELT INTERTIE
COSTS AND BENEFITS
(Expressed in 1986 Dollars)

	<u>Estimated Benefits</u>	<u>Estimated Costs</u>
Full Intertie Proposal	\$ 423 million	\$ 270 million
Anchorage to Kenai Peninsula Only	209 million	125 million
Anchorage to Fairbanks Only	211 million	145 million

Note: Costs include operations and maintenance for 30 years